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**Testimony of the Chairperson
of the Department of Land and Natural Resources
State of Hawaii**

**Before the House Committee on Agriculture
Subcommittee on Conservation, Credit, Rural Development, and Research**

Regarding "The Effectiveness of Agriculture Conservation Programs"

April 8, 2004

Thank you for the opportunity to present testimony on the "Effectiveness of Agriculture Conservation Programs" in Hawaii. My name is Dan Davidson and I am the Deputy Director-Land for the Department of Land and Natural Resources and am presenting testimony on behalf of its Chairperson, Peter T. Young.

The Department of Land and Natural Resources is the state agency charged with protecting and managing Hawaii's unique natural and cultural resources. We manage over 900,000 acres of forest reserve, 110,000 acres of natural area reserves, 2,000,000 acres of conservation district lands, 410,000 acres of coral reef – 80% of all coral reefs in the nation, 10 marine life conservation districts, 160,000 acres of agricultural lands, and regulate water use in 376 streams.

Hawaii Natural Resource Challenges

Of anywhere in the nation, Hawaii has unique opportunities to apply the agriculture conservation programs to address urgent, nationally important conservation needs to restore endangered species, protect the largest expanse of coral reefs in the nation, control invasive species, and protect and enhance water quality.

Hawaii has the regrettable distinction of being the endangered species capital of the world with 379 federally listed threatened or endangered species: 4 mammals, 33 birds, 5 reptiles, 45 invertebrates, and 292 plants. Many of these species are found on agricultural lands and private landowners have an important role in preserving them. For example, the endangered Hawaiian goose – the nene, Hawaiian duck, and Hawaiian stilt use wetlands, riparian areas and pasture lands on private ranches such

as Umi Koa Ranch on Hawaii and Ulupalakua Ranch on Maui. Agricultural lands also support populations of endangered plants. Removing weeds and replanting native vegetation in riparian areas, buffer zones and upper elevation pastures will restore native habitat and provide habitat corridors needed by endangered forest birds for movement between state and federal conservation lands. We have found that recovery of many of these species is contingent on forming effective partnerships with landowners. Providing stewardship incentives and regulatory protections are important tools to advance conservation. Agriculture conservation programs have the potential to benefit tens of thousands of acres in Hawaii that represents a sizeable percentage of the land area in a small island state.

In an era of increased concern for protecting and preserving coral reefs and ocean resources, Hawaii has a leadership role in stewardship of the nation's coral reefs. Clearing and other land-use practices increase the levels of sediment and nutrient pollution entering Hawaiian streams. Hawaiian streams deliver an estimated 1 million tons of sediment annually onto near shore marine environments, degrading coral reefs. Problems of erosion are further compounded because Hawaii has rainfall and runoff patterns unlike other states. Our rainfall is often flashy and extreme – when it rains it pours. For example, 17 inches of rain fell in a 24 hour period in Pahala on January 29th. Thousands of streams in the islands are seasonal, but when our high rainfall events occur dry streambeds fill, flood, and create erosion as they scour their beds and drain sediment into the ocean. This sediment transport and erosion is obviously greater where there are no forested buffers to slow runoff and increase infiltration coming off adjacent cleared lands.

Hawaii also faces another threat, the scourge of countless invasive species that take over habitat, displacing, predating, or out-competing native wildlife. Invasive species leave habitats that are 'wild' in appearance but are ecological and habitat deserts with little or no wildlife or domestic stock values. Hawaii has over 5,000 introduced non-native species and over 500 harmful invasive species. Over a 100 nonnative organisms become established on the islands every year. These pests range from the fruit flies that prevent the export of Hawaiian fruits to Californian and Japanese markets to tire-puncturing long thorn kiawe (*Prosopis juliflora*) that degrades range and recreation lands. We are fighting the import of the red-imported fire ant and are engaged in a battle right now, on this island, with Miconia, an invasive tree species that threatens the forest habitat of many of Hawaii's 379 endangered species. Miconia was introduced through the gardening trade before its potential impacts were known. In Tahiti, Miconia has completely taken over up to 70 percent of Tahiti's forests in a monoculture that is both species poor and extremely prone to massive landslides and erosion.

Although every state has these problems, the magnitude of the problems is much more severe here in sensitive island ecosystems and there are far more rare and unique resources at risk if these problems are not mitigated. More importantly – what are we

doing to aid private landowners in the stewardship of their lands and what more needs to be done?

Hawaii Programs to Address Conservation Needs

The State of Hawaii is a national leader in landscape scale public-private conservation initiatives. Private and public interest have established a series of 9 watershed partnerships encompassing more than 900,000 acres to protect, manage and sustain watersheds and water resources. The State also has developed a Natural Area Partnership Program that provides matching State funds with private funds (2:1 match) to ensure preservation of high-quality natural areas in private ownership. Hawaii has a State Forest Stewardship Program and a Landowner Incentive Program that funds forest and wildlife conservation efforts on private lands. Thousands of acres of forested watershed are being fenced and destructive pigs, goats, sheep and weeds are being removed.

Likewise, Hawaii is a leader in invasive species prevention and control on public and private lands. Hawaii is one of the first States to establish a cabinet level invasive species policy council and public-private coordinating committees in each county. State, federal and private entities have spent millions of dollars dealing with control, containment or eradication of pests on public and private lands. Through a new initiative of Governor Lingle, now before the state legislature, we are proposing to spend \$5 million in new state money each year for the next four years to create innovative programs to keep new invaders out and build a rapid response capability to deal with invaders that arrive. All of our invasives work depends on cooperation with private landowners since these species respect no borders or boundaries.

We have learned that private landowners are willing and can help us achieve common conservation goals. The highly successful state and federally funded programs described above are primarily focused on conservation areas, forested watersheds, and natural areas. What is missing is an effective companion conservation program on agriculture lands that can augment and complement these efforts. The Farm bill agriculture conservation programs offer that opportunity, if they are and can be structured to work in the unique agricultural setting in Hawaii.

Opportunities for Agriculture Conservation Programs in Hawaii

The conservation programs in the Farm bill provide tremendous benefits to the nation's environment, wildlife resources and agricultural and rural economies. Hawaii hopes to be able to share in those benefits, but, to date, has not received its fair share of the conservation program dollars. Hawaii was dead last in terms of federal support for agriculture per dollar of agricultural value produced – less than 1 cent on the dollar in FY 03. Of the approximately 34.5 million acres enrolled in the Conservation Reserve Program nationwide, only 22 acres are enrolled in Hawaii. Hawaii is far behind on

obtaining its allotment under the regional equity provisions of the conservation programs.

This Subcommittee hearing, Mr. Chairperson, comes at a particularly opportune time. Over the past year, we have been working with federal agencies – most significantly Reuben Flores Director of the Hawaii Farm Service Agency and Larry Yamamoto, our NRCS state conservationist - and other state agencies particularly the Hawaii Department of Agriculture private organizations like the Farm Bureau and Hawaii Cattlemen's Association to figure out how we can better use USDA conservation programs. We thought creatively about how programs could be used to best benefit Hawaii and Hawaii's farmers and ranchers, and we identified ways to adapt the details of programs to Hawaii's unique conditions. We are pursuing a Hawaii Conservation Reserve Enhancement Program (CREP) and an associated Coordinated Conservation Plan to focus these programs to address Hawaii's compelling environmental issues in key watersheds.

A CREP proposal is being considered that would enroll up to 30,000 acres of marginal pastureland and farmland into riparian buffer, wetlands and native hardwood forest in high priority watersheds. This would enhance water quality and quantity by restoring native vegetation to filter polluted runoff, help regulate runoff to streams, recharge aquifers and protect and benefit coral reefs by decreasing sediment and nutrient flow that can bury reef smothering it to death. Threatened and endangered species would benefit by establishment of native riparian, wetland and forest habitats on over 30,000 acres. In what I believe is a new approach, the State is looking at a Coordinated Conservation Plan that would provide more State involvement in other USDA conservation programs like EQIP, WHIP, GRP, and WRP to coordinate them with CREP and other State programs to achieve greater conservation benefits.

Making Agriculture Conservation Programs More Effective in Hawaii

We believe there is strong producer demand to participate in USDA conservation programs and the CREP program. However, there are some inherent barriers that prevent greater participation.

A major limiting factor to greater farm bill conservation program participation stems from Hawaii's unique patterns of landownership. Over 1.2 million of the 1.4 million acres of farmland in Hawaii are concentrated in just 100 large farming operations. To be effective, farm conservation programs need to work with the landowners that control over 80% of the farmland. The 2002 Farm Bill's adjusted gross income provision (AGI) bars individuals or entities with average adjusted gross income exceeding \$2.5 million (and less than 75% of that income comes from agriculture) from participating in farm bill conservation programs. The result is that many of the most significant lands are

virtually impossible to enroll to address these nationally significant environmental issues.

These are real farming and ranching operations that may own real estate or other assets along the coast line that increases their total income. Their agricultural operations are real and they are not making lots of money in the current market. They do not have lots of funding for conservation efforts. We believe this situation may be unique to Hawaii. We are looking at developing a CREP proposal that would address the AGI barrier and allow large landowners to participate without reducing participation by small landowners. However, Congressional action would be needed to authorize USDA to waive the AGI provision for Hawaii.

Another need in Hawaii is in the delivery of technical assistance. There needs to be adequate technical assistance funding provided for the very popular Conservation Reserve Program and Wetland Reserve Programs. The Department is willing to assist in delivery of these programs if technical assistance grants are made available. This would take advantage of on the ground expertise of the State natural resource management agency to help coordinate with other regional conservation efforts.

One other issue affecting Hawaii's entry into the CREP program is the 20% matching funds requirement. Hawaii like many other states is operating with tight budgets and many priority conservation demands. Because of our limited funding for state match, we must pick and choose between worthy conservation programs to fund. We are often faced with deciding if we spend our limited match dollars on threatened and endangered species projects, watershed restoration projects, wetland restoration projects or agriculture conservation projects. All are beneficial. Providing flexibility in types of match used and timing in providing match would encourage greater participation.

Thank you for the opportunity to provide testimony. It is clear that Hawaii as an island State with a fragile island ecosystem, and a history of plantation agriculture and landownership has different issues to deal with in implementing agriculture conservation programs than most mainland States. The Department would be happy to work with your Committee Staff to further discuss ways to make the Agriculture conservation programs more effective in Hawaii.